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ABSTRACT

In times of economic recession, dollars for job training and job placement programs grow scarcer, and those that are available tend to go to middle-class workers who are displaced or temporarily unemployed. The structurally unemployed--primarily the poor, the less educated, and minority youth--find it harder to compete for the needed training, and their situation becomes even more desperate than it is in times of recovery or economic growth. Common sense, equity, and efficiency would argue for exactly the opposite approach, beginning earliest with jobs targeted on areas and groups with the most severe problems. Youth programs should be first, not last, on the agenda; and among youth programs, those combining work, education, and training for the most disadvantaged, rather than conservation experiences for the most advantaged, should receive first priority. For the 1980s, a youth job strategy with the following elements should be implemented: (1) the use of Job Corps programs, which have been proven successful, in high technology training for youth; (2) a public service career intern program; (3) community improvement ventures; (4) entitlement projects similar to the successful Youth Incentive Entitlement Pilot Projects models; (5) the development of youth community service projects; (6) expanded summer programs; and (7) the expansion of the Conservation Corps. These proposed youth jobs programs all have education and training components built in from the outset. They can be used in concert with the Job Training Partnership Act, and they will help avoid the jobs programs mistakes of the past. (KC)

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# YOUTH JOBS PROGRAMS:

# THE CRITICAL NEED FOR A COMPREHENSIVE STRATEGY

TESTIMONY BEFORE THE
HOUSE EDUCATION AND LABOR COMMITTEE

March 7, 1983

Robert Taggart
President
Remediation and Training Institute

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## The Vicious Cycle of National Employment Policy

There is little equity, efficiency or common sense in our nation's employment policies. We may be approaching the nadir of equitability, effectiveness and sensibility, but the mistakes we are making today are nothing new. Instead of learning from the experience of previous jobs initiatives, we repeat the same policy and program cycle with predictable and desultory results.

The pattern should be familiar, since it has been repeated several times within our memories. In a healthy economy, labor market problems are concentrated geographically and demographically, primarily affecting the residents of poverty areas, minorities and youth. The overwhelming majority of workers are employed stably, increase their earnings each year and advance in their careers with little personal concern for unemployment or poverty. They can afford a sense of "noblesse oblige." Hence, public programs for the young and the poor tend to receive their greatest support when economic conditions are good or improving, when the numbers in need are shrinking, and when a fiscal dividend is generated which can be allocated, in part, for the less fortunate.

As growth slows, middle-class workers and their families are usually pinched by inflation, shorter hours, reduced pay gains, and perhaps involuntary idleness. They may not be desperate, but prudence leads them to trim their own budgets. As generosity becomes a burden, and as cyclical problems become more pressing, they tend to support cutbacks in public programs addressed to long-term structural problems. This makes a bad situation worse for those at the end of the labor queue. But the taxpayers increasingly blame the victims for their problems in order to ease their own consciences. Retrenchment and public parsimony usually accompany the early stages of recession.

Unless there is recovery, however, more and more of the middle class fall into hardship, competing for a share of the benefits and assistance which are being retrenched. These are citizens and voters who expect better, and, some feel, deserve better, because of their previously stable work histories. In response, there is increasing public sentiment for macroeconomic stimulus to get the economy moving again to reemploy those at the front of the jobless queue, as well as for temporary palliatives such as extended or more generous unemployment insurance to help the "deserving" victims of recession hold out until recovery.

It gradually becomes clear, however, that some of the laid-off workers will not find the same jobs again or soon. There is then a hue and cry for displaced worker programs which will combine retraining and relocation with further extensions of unemployment assistance. But since the long-term unemployed, even if trained or retrained, are far down the line for any recovery-generated expansion, the logic of job creation as an alternative to income maintenance becomes compelling. After much debate and delay, consensus usually emerges on jobs measures

targeted to the areas, industries, and more advantaged middle-class workers, who have recently fallen into hardship. Some crumbs must be added for the structurally disadvantaged, since their problems are, by any standard, much more severe. But the political imperative is to help those at the front of the jobless queue.

With the inherent delays in political decisionmaking, the countercyclical efforts usually get started late in the recession or early in the recovery. The types of measures which can reemploy skilled workers, such as large scale construction projects, tend to be slow off the mark, while the jobs measures for the unskilled are mounted more rapidly. As recovery proceeds, the structurally unemployed -- minorities, the less educated, and youth -- become a larger share of the population in need. Programs continue to be expanded for this "hard-core," backed by the residual support of the middle class who are glad to be finding regular jobs. Still justifying and designing jobs programs as "countercyclical" measures, we begin to focus them primarily on "structural" problems and disadvantaged populations.

The result is inevitable. With increased targeting on racial and economic minorities concentrated in minorities of jurisdictions, the political support for such measures gradually erodes. There is, then, a rising chorus of complaints about idle leaf-raking in jobs programs, and criticism for the lack of meaningful training. With a healthy economy, those whose problems have been solved are ready to believe that the private sector can also provide the solutions for the disadvantaged. Private sector and training-oriented alternatives to job measures gain increasing support, jobs programs level off or decline, and we are then ready for the policy cycle to begin again.

This process is not very efficient. It is axiomatic that programs designed and implemented in a rush will be less efficient, but particularly so when they are intended to employ the most advanced among the jobless. Skilled workers require capital and infrastructure to be used productively. Extensive planning and organization are needed unless existing agencies or already planned activities are supported, in which case there is a good chance that job creation resources will be substituted for other expenditures. New and special projects are difficult to customize to available skills, so skilled workers are more likely to be underemployed in jobs programs, reducing the positive impacts of participation. Once in harness, skilled workers become vital to public and nonprofit agencies and it is difficult to cut back the programs. Patronage and political chicanery are more likely the more attractive and useful the jobs which are created and the workers who can be hired. The more skilled will be the first needed in a recovery, so retaining them in public and nonprofit jobs exacerbates bottlenecks and is more inflationary than continued public employment of the hard core, who remain "leftovers" even in good times. Most critically, skilled workers get

higher pay, while the expenditures for capital and equipment necessary to employ them productively reduce the job creation per dollar of expenditure.

Neither is this policy cycle very equitable. It is those at the end of the labor queue who need jobs programs most. In recessions, employment opportunities for the disadvantaged become so limited that transition or training measures alone become almost pointless. While middle class workers may be temporarily hurt by slack labor markets, recessions are depressions for youth, minorities, and residents of rural and urban poverty areas.

Efficiency and equity considerations give way to political expediency throughout this cycle. It is the advantaged and transitionally unemployed who carry weight in the voting booth. Poverty area representatives traditionaly favor jobs measures, but the votes which pass legislation come from the normally prosperous districts hard-hit by recessions. Hence, the first job measure in this recession, as in others, was a highways construction bill that will employ a few skilled construction workers, at an extraordinarily high per unit cost, financed by a regressive tax which will fall heavily on the disadvantaged. The next measure was an accelerated public construction bill, which helps primarily the same group. Youth unemployment, far worse than in the late 1970s when it was considered a national tragedy and a justification for major expansion of already large-scale work programs, has been addressed primarily by a conservation measure, which is the highest cost of the job creation options for youth, and will serve primarily the advantaged and better educated youth rather than the minority and poor who have the really severe problems.

Common sense, equity and efficiency would argue for exactly the opposite approach, beginning as early as possible with measures which have the lowest cost per job created, which can be implemented fastest, which are targeted on areas and groups with the most severe problems likely to continue after the implementation period, and which include components addressing longer-term human resource needs of society and participants. Youth programs should be first, not last on the agenda, and among youth programs, those combining work, education and training for the most disadvantaged, rather than conservation experiences for the most advantaged, should receive first priority.

## Who Needs Help Most?

When the Reagan Administration entered office, it argued, quite sensibly, for the exclusive targeting of federal manpower programs on poor youth and welfare recipients, with workfare (i.e. job creation) substituting for welfare. Quickly, emphasis shifted to the most employable among the jobless. The Jobs

Training Partnership Act reduced the share of the pie for youth, and restricted the allowances necessary for the poor to participate in training. Welfare rules were changed reducing work incentives and training possibilities. The major focus became the displaced worker (sic. adult male breadwinner) and unemployment insurance exhaustee (i.e. those with previously long work experience qualifying them for long-term benefits).

Is there justification for this rather dramatic shift in priorities? An argument can and has been made on the basis of the unemployment data. Males age 25 and over, who accounted for only a fourth of the unemployed in 1979, represented nearly half of the recessionary increment in unemployment between 1979 and 1982. Conversely, younger workers, who represented half of the unemployed in relatively good times, accounted for only a third of the jobless increment. Ergo, adults, and adult males in particular, deserve greater priority.

This logic is flawed because the unemployment figures disguise the real problem, stacking the cards against youth. In recessions, youth give up and leave the labor force, so they are no longer counted as unemployed even though they want and would take jobs if they were available. A more accurate indicator of labor market realities is the employment rate. In 1979, 58.0 percent of the population age 14 and over was employed. The employment rate had been rising secularly and cyclically, and was projected by the Bureau of Labor Statistics to continue upwards, particularly for youth and women. But by 1982, the overall employment rate had dropped to 56.0 percent, representing a decline in employment of 3.6 million jobs. If 14 to 19 year-olds had maintained their 1979 employment/population rate, 1.1 million more would have been employed in 1982; if 20 to 24 year-olds were as able to get jobs, 1 million more would have been employed. Youth thus represented three of every five job losers, even though they accounted for only a third of the increment in measured unemployment.

And these numbers do not tell the whole story. The number of workers employed part-time because of the lack of full-time work increased from 3.6 to 6.2 percent of all jobholders age 16 and over, but from 6.2 to 10.5 percent of jobholders age 24 and under. There was a shocking drop in full-time employment opportunities. In 1979, 15.1 million youth age 16 through 24 were employed full-time. This number declined by 15 percent to 12.8 million in 1982. In other words, the current generation of out-of-school youth who are ready to start their careers are out of luck.

The traditional subemployment indicator encompasses these varying developments. Among adults in the labor force or wanting a job but not looking, the chances of being unemployed, employed part-time involuntarily, or wanting a job currently but not having one, increased from 10 per hundred in 1979 to 16 per hundred in 1982. The increments in subemployment for youth were nearly twice as great:

| | Subemployment Rate | | |
|---|---|---|---|
| | 1979 | 1982 | 1982-1979 |
| Adults 25 & over | 10.1% | 15.8% | +5.8% |
| Young adults 20-24 | 18.1 | 28.6 | +10.5 |
| Teenagers 16-19 | 32.9 | 44.8 | +11.9 |
| Nonwhite young adults | 33.3 | 46.0 | +12.7 |
| Nonwhite teenagers | 58.2 | 72.6 | +14.4 |

It is a depression, not a recession, for poverty-area residents and minority youth. Without minimizing the problems of industrial towns brought to their knees by plant closings, it is important to recognize the continuing concentration of our nation's employment problems. In 1979, poverty areas had an unemployment rate half again that prevailing in nonpoverty areas. Yet over the next three years, this differential widened as unemployment rose more in poverty than nonpoverty areas:

| | Unemployment Rates | | |
|---|---|---|---|
| | 1979 | 1982 | Change |
| Poverty Areas | 8.1% | 13.2% | +5.1% |
| Nonpoverty Areas | 5.4 | 9.1 | +3.7 |
| Differential | 2.7 | 3.1 | +1.4 |

Poverty areas accounted for one seventh of employment in 1979, but one fourth of the 1979-1982 job losses, as estimated by changes in the employment/population ratios. Within poverty areas, blacks accounted for one fourth of 1979 employment, but one half of job losers. Nationwide, subemployment among minority youth increased alarmingly. Nearly half of nonwhite young adults, and three fourths of nonwhite teenagers, were subemployed in 1982.

## The Record of Jobs Programs

The national employment policy of the 1980s can only be characterized as malevolent. As employment declined in the private sector, the government increased the pain and suffering by largely eliminating federally-funded jobs in the public and nonprofit sectors. The victims were those most in need -- minority and poor youth. In fiscal 1979, CETA programs provided nearly half a million person years of employment for 14 through 21 year-olds. Nonwhite youth filled almost half of the subsidized jobs. Indeed, over two-fifths of 14 to 19 year-old black youth who worked during 1979, and almost a fourth of Hispanic youth with jobs, were employed in a CETA program. By 1982, the person years of subsidized youth employment had declined by three-fifths. Comparing enrollment levels in jobs programs with job losses estimated on the basis of declining employment/population ratios, the cutbacks in federally-funded jobs accounted for a seventh of the job loss for all 14 to 19 year-olds between 1979 and 1982, and over half of the job loss for nonwhite teens.

Congress and the Administration cannot stand by and deplore the current situation without recognizing that they are to blame for pursuing a contracyclical, rather than countercyclical, policy. It is a disgrace that we are arguing whether the government can help solve the youth employment problem through jobs programs, when to a large extent it caused the crisis by cutbacks in the self-same programs.

The promises that these "economies" would stimulate "real" private sector jobs for poor and minority youth were ridiculous. If the youth employment/population ratios rose over the next three years at the 1976-1979 pace -- a period when national employment grew more rapidly than ever before -- the nonwhite youth employment rate in 1985 would remain below the recession levels of 1976, while the rate for all teenagers would remain well below that which many considered a national disgrace in 1979. Few forecasters in or out of government expect such healthy employment growth. Moreover, at least two-fifths of the 1976-1979 job gain for nonwhite 14 to 19 year-olds was directly the result of the expansion of government jobs programs. Without at least the same effort, the prospects look bleak for the current cohort of labor force entrants, who will be adults before the economy offers any substantial net growth of career opportunities.

The record of the last three years stands in stark contrast to the response to the 1975-1976 recession. Between fiscal 1976 and fiscal 1979, the federal government's economic stimulus program added:

-- 60,000 community service jobs for participants under age 22, mostly 19 and over and mostly from low income families, under the Public Service Employment Program.

-- 15,000 neighborhood revitalilzation jobs for 16 to 19 year-olds, mostly drop-outs, under Youth Community Conservation and Improvement Projects.

-- 20,000 part-time school year and full-time summer jobs for poor and overwhelmingly minority youth age 16 through 19 who were in-school or returned to school under the Youth Incentive Entitlement Pilot Projects mounted as an experiment in intensive job creation in 17 areas of the country.

-- 250,000 additional summer youth employment opportunities for poor students, mostly age 14 through 17.

-- 150,000 in-school work and training opportunitites under the Youth Employment and Training Programs.

-- 15,000 jobs in the Young Adult Conservation Corps for a mix of all youth, mostly 19 and over, nonminority and nonpoor.

-- 20,000 additional slots in the residential Job Corps program providing intensive and comprehensive services to the most disadvantaged dropout youth.

These initiatives in the late 1970s were mounted as experimental and demonstration programs in order to learn about what worked and what did not. The experience, documented by extensive research and evaluation, yielded some important lessons which have been largely ignored to date, but which could certainly improve the effectiveness of our nation's youth policies for the 1980s:

Lesson 1. The Feasibility of Youth Jobs Programs

For those who argue that it is no use passing emergency jobs legislation because timely implementation is not possible, the record speaks for itself. The Youth Employment and Demonstration Projects Act was signed in August 1977. By the next summer, there were 250,000 more summer enrollees as well as nearly 200,000 youth in the newly implemented programs. Job Corps was expanded by half in just eighteen months.

There was an undeniable loss of efficiency from such hasty implementation, but the start-up problems proved correctable. The rapidly expanded fiscal 1978 summer program was justifiably criticized for deficient supervision, overcrowded worksites, and limited monitoring. Over the next two years, however, intensive site reviews by federal officials, and federally required monitoring by local administrators, led to a documented improvement in the quality of the program. Inadequate worksites, as judged by the General Accounting Office, declined from a fourth to an eighth of the total. School-to-work transition programs launched under YETP had average enrollments which were less than three-fifths of peak enrollments in their first school year of operation; the ratio of average to peak enrollment increased to eighty-five percent in the second school year of operation. The person-year operating costs of Job Corps (and Young Adult Conservation Corps) centers were more than a third higher in the first year build-up period; by their second year, however, the new centers were operating at the same costs, and with the same performance levels, as the long-established centers. A more measured phase-up of the youth initiatives would have reduced these start-up costs, but it is clearly possible to move rapidly and then correct problems subsequently.

One of the largest social experiments in our nation's history -- Youth Incentive Entitlement Pilots Projects -- tested the limits of youth jobs initiatives. In 17 areas of the country, fully subsidized jobs in the public or private sector were guaranteed for all poor youth in school or returning to school. Meeting this guarantee called for a fivefold expansion of youth job creation in the target areas. Yet in almost all of the sites, enough jobs were created within a year of project start-up to fulfill the guarantee for eligible youth. A General Accounting Office study of worksites revealed that the subsidized

jobs were generally as meaningful and well supervised as those in other areas. Entitlement showed that it was certainly feasible to expand youth jobs programs far beyond the already substantial levels supported under CETA in the late 1970s.

Lesson 2. The Benefits of A Balanced Portfolio

The late 1970s youth initiatives were balanced in terms of target groups, target areas and treatment approaches. The Youth Employment and Demonstration Projects Act of 1977 (YEDPA) was an umbrella which encompassed most Congressional notions and expert recommendations about what should be done for whom. In determining the allocation of resources among titles and sections, and the different allocation formulae and eligibility rules for each, Congress had to weigh all interests and relative needs. The Young Adult Conservation Corps (YACC), designed for a mix of all youth and concentrated in the primarily rural areas where there were federal lands, was balanced by Youth Community Conservation and Improvement Projects, focused on neighborhoods and serving mostly 16 to 19-year-old dropouts. Under Youth Employment and Training Programs, funds were allocated by a needs-based formula to all areas for in-school jobs for the disadvantaged, but also for less costly transition services for the nondisadvantaged. YETP was balanced by the Entitlement program, concentrated in just a few areas and serving only poor and overwhelmingly minority youth. There were also very significant set-asides which the Secretary of Labor targeted to areas of greatest need. YEDPA was initiated in the context of already announced expansions of the summer program, public service employment and the Job Corps, i.e. programs providing, respectively, short-term work for 14 to 16 year-olds, more meaningful jobs for mostly 19 to 21 year-olds, and comprehensive education, training and work for the "hardest of the hard core."

This "hodgepodge" of youth initiatives was difficult to understand and explain, but proved a remarkably sturdy mix. For instance, when the Carter Administration's Office of Management and Budget eliminated the YACC program after a few years because it was considered too costly and not targeted enough, support for the proposed Youth Act of 1980 suffered because it then promised little for the sons and daughters of the middle class. On the other hand, the elimination of the Entitlement Program by OMB, because it was <u>too</u> targeted and was considered too costly to expand to all areas, eliminated the most tangible exemplars of what could be accomplished in poverty areas, reducing the strong support from the Entitlement sites and their representatives.

Institutional, as well as political, balance was achieved by the 1970s youth jobs initiatives. There were, for instance, school set-asides under YETP which provided resources and incentives for cooperation without giving the schools total control. Discretionary funds for exemplary programs were used as another carrot. Some institutional change was thereby achieved in linking work and education. Under YACC, the Departments of Labor, Agriculture, and Interior, as well as the states, shared

decisionmaking authority. Job Corps was federally-directed, but utilized private for-profit management agents to operate most of the new centers. A nonprofit intermediary, the Manpower Demonstration Research Corporation, was used effectively to oversee the Entitlement program, while community-based organizations and other intermediaries were used to manage clusters of demonstration projects nationwide with the aim of establishing them as permanent replication and technical assistance agents. Local and state governments had primary responsibilities for the formula-funded YEDPA initiatives and the summer program, but the federal monitoring and plan approval role was strengthened, and discretionary resources were used as incentives to try to influence state and local decisions, for instance, in assuring "special consideration" to neighborhood and community based groups.

Without arguing that the 1970s approaches were the best in every way, it is important to recognize the value of having a diversity of approaches and administrative arrangements, and of making comprehensive legislative, budgetary and administrative decisions. This will not be achieved by the incremental passage of one program after another, nor will it be achieved unless youth employment is singled out and addressed as a separate and identifiable set of initiatives.

Lesson 3. Pay and Allowances in Youth Jobs Programs

Wage levels were an issue in the 1970s initiatives, as they have been since the New Deal youth programs. Should fourteen, fifteen or sixteen year-olds with no skills or work experience receive the minimum wage for summer or in-school jobs when the majority of young teenagers in unsubsidized employment earn less than the minimum, when the unemployed parents of participants might be more than willing to accept minimum wage jobs, when unrealistic wages reduce public support as well as the number who can be served in public programs? Under CETA, the decision was made to pay at least the minimum wage for all hours of work. This led to the charge that youth jobs programs were primarily income transfers and that society was not getting its money's worth. Indeed, studies of the value of output of youth jobs programs usually priced the products at $ .70 or less for each dollar invested -- a not surprising finding since the disadvantaged youth participants had limited skills and experience. Wage level policies for jobs programs were not resolved on the merits of the case, but rather became a pawn in the broader debate over the wisdom of a youth minimum wage differential.

Putting aside the ideological arguments surrounding the dual minimum wage issue, the experience with 1970s youth programs suggests a straightforward solution to the wage problem. It makes sense to pay, as the Fair Labor Standards Act already authorizes, a student learner's differential to youth with little or no previous work experience. Likewise, work can be combined with mandatory and unstipended participation in remedial and preparatory activities, reducing compensation per hour of participation without challenging the Fair Labor Standards Act.

Local areas can best determine the mix of work and training, so that the compensation per hour of participation reflects local conditions.

Allowances are another problem. CETA paid a minimum wage allowance, many times stipending poor youth for participation in regular activities alongside unstipended youth. In some cases, this attracted participants wanting the allowance not the learning opportunity. There was no incentive for completion, because this meant a loss of the allowance that usually averaged more than post-program earnings. The Job Training Partnership Act responded by drastically reducing allowance possibililties, which will certainly constrict the ability of many youth from low income families to participate in the long-term remediation they usually require. Some way is needed to cover real participation costs such as transportation, to assure a poverty level subsistence by "topping off" other cash and in-kind income, and to provide incentives for completion and accomplishment. Mixing work with training, so that wages cover immediate cash needs, can help to sustain disadvantaged participants. If this is done, however, it is important that incentives be utilized to encourage performance, rather than merely "clock punching," in the required remediation activities.

Lesson 4. Jobs Programs Should Emphasize Human Resource Development

Employment under jobs programs is a temporary expedient with little longer-term payoff for participants. A first job experience may help some of those with no previous experience get an early start on the process of labor market entry. Federally subsidized jobs providing a try-out and training for unsubsidized jobs in the public and nonprofit sector can have long-term payoffs for some participants. But in most other cases, work alone has little impact on post-program labor market success.

Most evidence suggests that the post-program earnings and employment impacts of youth and adult employment programs are directly related to the intensity of their education and training components. Most of the poor youth who need jobs also have serious skills deficits. For instance, the average reading level of entrants in YEDPA programs was below the 8th grade level, and for Job Corps participants it is below the 6th grade level. Obviously, this severely limits future employability no matter what occurs at the worksite. It also limits the types of work which can be mounted under public programs. Only menial jobs can effectively use those who cannot read, write, or compute yet these jobs offer little career preparation.

Linkages can and should be forged between work and remediation. Jobs can be used to keep young people in school. The Entitlement program, which conditioned the job guarantee on school attendance, reduced dropout rates and increased school return rates. Other programs combining half-day remedial education or employability development with half-day work for out-of-

school youth or in summer programs increased retention in the remedial activities. In Job Corps, structured work activities provide a way to apply vocational skills and a balance to classroom activities. Work programs have been structured which integrate vocational skills training and applied academic learning with work activities. All these approaches yield post-program employment and earnings gains which are not achieved by work programs alone.

Even when education and training are combined with work, as they should be, there are obvious limits. For instance, if 100 hours are set aside for remedial education in a 250 hour summer program, even the best instruction will average only a grade or two gain in reading or in mathematics in this time. This increment may be significant for someone with 7th grade skills, but further progress is needed to assure employability. Jobs programs should, therefore, be used as a mechanism for screening disadvantaged youth, providing them an opportunity to demonstrate the capacity and commitment to take advantage of more intensive remediation and training. The chance to qualify for meaningful training will give an added incentive beyond money alone to perform in the work assignments. It means the subsidized jobs will not be dead-ends, no matter how menial the work.

Yet a related lesson is that where decisionmakers at the state, local or delivery levels have a choice between work and remediation activities, employment tends to receive disproportionate emphasis because jobs are easier to mount than training, and because delivery agents are judged by whether they meet body counts in putting people to work, not by whether they help people acquire skills. Congress realized in its 1978 amendments to CETA that the Public Service Employment program was not meeting the long-term needs of the disadvantaged, and mandated an increasing percentage of funds be spent on remediation activities supplementing work. But this requirement came too late, as PSE was being reduced. Delivery agents were slow to respond, in many cases because they did not have the capacity or understanding. As an example, under the supported work experiment for dropout youth, education components were required after early evidence that work alone was not enhancing post-program earnings. Some of the best delivery agents in the country who had been selected to operate supported work projects struggled, and frequently failed, to mount education components. The lesson is that the remediation components must not only be required, but help is needed to build delivery capacity at the local level.

Tellingly, the federally-run Job Corps provided training and remedial education to more poor dropouts than all the rest of CETA locally-run programs, despite its much smaller budget. Only the federal government is apparently willing or able to make the intensive investment needed to really help those with the most severe problems. Job Corps makes capital investments in facilities and materials. It uses and standardizes the best available

instructional techniques. It requires these as part of its comprehensive services. Such investments and structuring will be needed if work and education are to be effectively combined.

Yet while coordination is needed to marry work activities with remediation, it makes sense to administratively insulate remediation from job creation. A lesson should have been learned from CETA that the ups and downs of public opinion regarding job creation will spill over into perceptions of training effectiveness. Although most evidence suggested that CETA classroom and on-the-job training components were worthwhile, all of CETA was condemned when Public Service Employment was cut back. Training activities suffer when they get locked into the erratic funding gyrations inherent in job creation programs.

Lesson 6. The Need for Standards and Standardization

The Achilles heel of youth programs has always been management. Almost all the different intervention models carefully tested under YEDPA yielded average outcomes in expected directions, usually in proportion to the intensity and cost of the intervention. One approach might be judged a little better on average than another, but the differences were marginal. However, performance varied enormously among projects supposedly implementing the same approach. Process evaluations revealed operating procedures, curricula, and activities in many projects which were totally inadequate, violating common sense and ignoring the examples of effective projects. The key to improving overall performance is not in finding an optimal treatment design, but rather in assuring at least minimal performance by all delivery agents in providing the basic service components in whatever service mix is adopted. The "building blocks" of youth programs can only be improved and assured by better specification of standards, program content and procedures, as well as through technical assistance combined with monitoring. The best available curricula and materials for employability development and remedial education need to be identified, packaged and widely distributed. This is particularly true when we begin, as we inevitably will, to use microcomputers in instruction and management, since there are economies to be realized in large-scale purchases, since it is so expensive to screen and develop software, and since most delivery agents are neophytes in computer use. Where "kits" of manuals, materials and software are available, better delivery agents can modify these core programs, but the less effective ones will at least have a reasonably effective foundation.

Standardization, mass-production, and quality control have been the keys to efficiency in the private sector, but we ignore this most important ingredient in public sector programs. We have generated a myth that each low paid local delivery agent has the ability and the wherewithal to examine practice elsewhere, to screen thousands of available materials, to secure these materials at a low cost, and to know and avoid the correctable problems encountered by other delivery agents using the same

approaches. We have supported this myth by identifying and crediting the model programs and projects which have emerged from the best of local delivery agents, while ignoring the existence of hundreds of other sloppy projects with ineffective design and approach which have resulted by undirected local initiative. An example is the summer program. It would seem self evident what makes a good worksite and how to enrich the program. To some local operators, this was the case, and their programs were models. But all too many were unable to assure even the most basic standards. The summer program only improved when worksite agreements and monitoring procedures were standardized, and monitoring procedures enforced, from the federal level.

The Job Corps is perhaps our most effectively managed youth program. It sets detailed standards for core components and invests in large-scale purchases of key materials and equipment, but lets private for profit and nonprofit agents actually manage centers on a performance basis within federal guidelines and subject to federal monitoring. This management approach should be more broadly utilized in any youth jobs programs.

## A Youth Job Strategy for the 1980s

Applying these lessons, a balanced portfolio of youth job creation measures would contain the following elements which would target on different dimensions of the youth employment problem, would spread the administrative burden among different delivery systems, would integrate with the Job Training Partnership Act (JTPA) yet would place most of the job creation responsibilities in other quarters, and would maximize the human resource investment elements of work programs:

1. Job Corps Career Investment and High Technology Centers. Job Corps works. It serves the most disadvantaged youth, including those from rural poverty areas who cannot be easily reached by local job creation schemes. The program combines work with education and training in a balanced mix. Residential centers are operated by private for-profit and nonprofit contractors, as well as federal land agencies, under detailed federal guidelines. Both nonresidential and residential centers are authorized under JTPA. The longstanding residential program could feasibly be expanded by 20,000 slots over two years. This would include a 25 percent expansion of existing centers, the opening of up to 20 conservation centers, and the establishment of up to 10 technology investment centers with a capacity of 500-750 participants. The high tech centers would focus on robotics, health technician training, computer operations and other occupations judged to have the most promising career potential. They would provide multi-year training, combined with internships in the private sector, following models already used to train computer customer engineers in Job Corps. The best performing disadvantaged students in residential and nonresidential Job Corps programs would be carefully selected for these advanced work/training opportunities.

There could be a much larger expansion of nonresidential programs based on Job Corps models. Job Corps has developed and tested open-entry and open-exit, individualized, self-paced instructional programs covering beginning through 12th grade academic subjects, college prep, pre-military training, and world-of-work plus life skills domains. It has integrated audio-visual and paper and pencil materials with computer delivered and managed lessons. These advanced learning systems are highly effective with all youth and can be used as primary activities or supplements to work programs. The front-end investment in state-of-the-art educational technology which is possible through Job Corps can yield substantial payoffs in instructional effectiveness and efficiency.

The existing Job Corps legislation might, therefore, be used to establish and operate a national network of nonresidential Career Investment Centers in areas of need throughout the country. The Investment Centers would be managed by private for-profit, nonprofit or public institutions selected on a competitive basis. They would operate under clear federal specifications and reporting guidelines. The Investment Centers might be sited in schools, community-based organizations, or federal or state-owned properties, with site selection following the consultative procedures already mandated for Job Corps centers. Youth employed under jobs programs could be used to rehabilitate and help to operate these centers. The centers would also be staffed and equipped to maintain local satellite operations providing remedial instruction at worksites and in homes using less elaborate equipment and materials. The centers could coordinate youth-tutoring-youth programs, volunteer tutorial programs and the like.

Nonresidential participants in these Career Investment Centers would receive the small Job Corps maintenance allowance (which includes incentives for performance and length of stay). Paralleling the Job Corps readjustment allowance, they would accrue credits in a Career Investment Fund that could be used, like the GI bill, for further education and training. The current system for tracking and paying these benefits (which utilizes the Army Finance Center), could easily be adapted to maintain individual accounts in the fund and to track usage. Youth volunteers working with the centers, for instance in youth-tutoring-youth programs, could also earn credits in the fund even if they were not eligible on the basis of income for subsidized jobs or a maintenance allowance.

All youth jobs legislation should require unstipended participation in remedial or supplemental education and employability development. This component would be provided by the Career Investment Centers and their satellite operations. This network of centers would operate separately from, but in coordination with, local employment and training initiatives under the Jobs Training Partnership Act. JTPA funds could be used to purchase <u>extra</u> remediation opportunities from Investment Centers (just as JTPA funds can be used to purchase extra slots in the

residential Job Corps program). There would be an incentive to do so, in order to qualify participants for the Investment Fund and to take advantage of the high quality equipment, materials and staff maintained at the Investment Centers. These local Investment Centers would also serve as intake and processing sites for the residential Job Corps program in order to assure that limited residential opportunities were not filled by youth who could be better served in local communities.

As many as a thousand of these centers could be established within a two-year period, providing remediation opportunities to several hundred thousand disadvantaged youth annually, including all participants in youth jobs programs.

2. Public Service Career Intern Program. State and local governments would be provided funding for the wages and administration of two-year internships for JTPA-referred, out-of-school youth age 19-21. A career investment plan would be prepared for each participant and internship assignment, detailing the education and training activities which would occupy at least a third of the internship. This training and education component would be supported by JTPA resources. The state and local government would pledge to hire each completer in a permanent public sector job at the end of the two-year assignment. JTPA would provide for a "try-out" employment period before the beginning of the internship in order to allow the state or local government unit a chance to determine the potential of the referrals to fill the career requirements. At least 50,000 internship opportunities could be created in this way.

3. Community Improvement Ventures. The Ventures in Community Improvement demonstration under YEDPA documented the feasibility and effectiveness of large-scale work/training projects (60 - 100 participants) undertaking restoration, renovation and other tangible community improvements, with extensive skills training structured as part of the work, with a high supervisor/participant ratio, utilizing skilled craftsmen as supervisors, and drawing on local resources for materials and equipment. The projects, sited in poverty areas, could be selected by a national competition with incremental implementation on the basis of rankings in the competition and on the availability of funds. As was the case under the YEDPA-funded demonstration, a national nonprofit intermediary, with business and labor representation, would provide technical assistance and monitoring to the selected sites in order to assure quality and consistency with the model. The projects could be operated by local governmental agencies, nonprofit groups, or even for-profit contractors. The participants for these projects would be referred from JTPA, with education components delivered by the Career Investment Centers. It would probably be feasible to mount 50 additional projects each year.

4. Entitlement Projects. The Youth Incentive Entitlement Pilot Projects model was an operational success. It helped reduce dropout rates and to promote school return. It increased

private sector employment opportunities for poor youth by fully subsidizing private employers. It emphasized and supported alternative education approaches combined with work. The sites for this intensive job guarantee experiment were selected by a structured competition. This could be repeated, limiting the competition to all poverty areas, incrementing additional sites each year as funding became available. Under YEDPA, a nonprofit intermediary, with a balanced board of directors representative of all segments of business, labor and academia, was used with extraordinary success (as documented by the General Accounting Office) in monitoring and assisting Entitlement projects administered by local governments. Using this approach again, it would be entirely feasible to add 25,000 employment opportunities each year. The legislative specifications of the Comprehensive Employment and Training Act could be used as the prototype for authorizing language.

5. Youth Community Service. Community and neighborhood-based groups could be used to mount local employment projects for out-of-school youth under age 22. The jobs would pay the minimum wage for work hours (or the learner's differential where the participant had no previous work experience) but would require unstipended participation in the open-entry, open-exit individualized, self-paced and computer-based instructional programs delivered through the Career Investment Centers. For all hours of participation in remediation activities, the Career Investment Fund would be credited towards a "GI-bill" to be used later to support individually-selected education or training. Subsidized jobs would be targeted for youth from low income families. However, other youth could volunteer their services and could accumulate credits in their own Career Investment Fund accounts. Local governments would monitor the projects, which would be selected by neighborhood committees or ad hoc groups appointed by the chief elected officials. Standardized federal monitoring and output evaluation procedures would be used to maintain the quality of these projects. Without question, 50,000 year-round service opportunities could be created in this way.

6. Expanded Summer Programs. It is feasible to expand the summer program to one million employment opportunities. In doing so, however, it makes sense to pay the student/learner's differential for those participants with limited previous work experience. It would also make sense to require participation in unstipended preparatory and remedial instruction activities. Again, for those hours of unstipended participation, credits would be accumulated in the Career Investment Fund. Youth not eligible on the basis of income could work on a volunteer basis on summer projects, and could participate in learning activities which would also credit to their individual accounts in the Investment Fund.

7. Conservation Corps. There is real and productive work to be done in the nation's parks and lands, and many youth (particularly the better educated from more affluent families) are enthusiastic about these types of experiences. The problem is

that federal lands are not near the concentrations of youth most in need, and poor youth tend to prefer neighborhood-based employment. Moreover, conservation work alone offers little opportunity to improve competencies or acquire transferable skills. Under YACC, the Department of Labor set targets for minority and poor youth participation, and emphasized nonresidential programs sited near poverty areas; but these measures had only limited success in achieving a reasonable balance in the program. A better approach would be to set aside a third of any funds to establish and expand Job Corps conservation centers, which are entirely consistent with the thrust of the conservation proposals. These funds would simply be shifted to the Department of Labor to be passed through to the Departments of Agriculture and Interior as is done in support of the current Job Corps conservation centers.

At the same time, in the regular nontargeted conservation program, both the federal and state components, unstipended participation in career investment activities could also be required. There is no reason why investment centers could not be established in the regular conservation centers, operating as satellites of, or jointly with, Job Corps instructional programs. The type of youth likely to participate in conservation programs might be very amenable to the notion of accruing credits in the Career Investment Fund.

In order to assure the appropriate mix of these various youth jobs initiatives, the range of options must be considered in totality. The fundamental problem is that youth jobs proposals are being considered incrementally, as add-ons to broader job legislation. Within the spectrum of possible youth activities, the measures which have the strongest political support are the least efficient and equitable. Most experts who have reviewed the research on youth programs and youth employment problems would probably agree with the general order of initiatives as outlined above. Job Corps is clearly the most effective and targeted work/training program. At the other extreme, conservation camps cost as much or more than Job Corps, yet do not provide any human resource development nor help those with severe employment problems. A Public Service Career Intern approach can and has worked in accessing real jobs in the public sector, but the approach has been tarred by the alleged problems of adult public service employment programs. Summer jobs have modest post-program effects, but they are easy to expand and always justifiable as a fire-fighting strategy. In contrast, measures such as Entitlement or the proposed Community Improvement Ventures, have conceptual appeal but a payoff only for the subset of selected poverty areas.

Rather than working backwards through the list of alternatives as we have been doing this legislative season, implementing the least effective and least targeted but most popular measures first, we need to better balance political expedience with equity and efficiency considerations by agreeing, first, on the aggregate target expenditure for youth jobs, say $2 billion, then

allocating this amount in a rational way across the varied interventions, and then working towards that goal by spreading any incremental funds which become available across a balanced portfolio of approaches. The portfolio outlined above allows for this incremental expansion on all fronts. In fact, it makes a good deal of sense to proceed in this fashion.

The proposed youth jobs programs all have education and training components built in from the outset. Indeed, the jobs initiative would go hand in hand with the expansion and improvement of our nation's preparatory and remedial systems using the best and most up-to-date systems of computer-based instruction. Everyone recognizes that it is critical not just to employ our youth today, but to provide them with the basic skills that will be needed to master the jobs of the future when the economy recovers.

The proposed initiatives do not overburden the new Jobs Training Partnership Act delivery system. JTPA will prepare youth for and refer them to jobs. JTPA may finance some of the remediation and training elements. But essentially this system can continue on its measured implementation schedule. If the jobs programs do not work, are no longer needed because of recovery, or lose favor, the national training system will not suffer. Indeed it will be enhanced by the establishment of a national network of Career Investment Centers, and the establishment of a range of high tech, advanced career training centers in Job Corps. These will certainly be needed over the long term.

In order to further assure the integrity and independence of the training system, jobs activities might be administered at the federal level by a Youth Employment Commission, with rotating, Presidentially-appointed membership representative of business, labor, education, community groups and youth. This commission would distribute and track youth jobs funds. It would establish competitive procedures for selecting sites for Entitlement and Community Improvement Ventures. It would set the guidelines for all youth jobs components, including the summer program and conservation work. It would detail procedures for worksite agreements and monitoring, remediation and training requirements related to the work, work valuation and reporting. The Youth Employment Commission would contract for independent monitoring of all worksites. It would report to Congress annually on employment levels, related remediation activities, output and skill attainment, direct and estimated indirect employment effects, and recommended priorities for youth jobs measures. JTPA and the new Career Investment Centers would continue to be operated by the Department of Labor, which has neither the interest nor capacity to direct employment measures.

The employment situation of youth is serious and will remain so in the foreseeable future. We need, and have demonstrated the capacity, to mount large scale youth jobs initiatives which will reduce the job deficit, substantially so for minority and poor youth. However, if we continue to legislate bits and pieces of

the youth employment agenda, settling for the most politically popular approaches whenever there is a chance for action, implementing band-aid measures in a crisis atmosphere, we will repeat the familiar cycle of our nation's employment policies, confirming the judgment of the gainsayers who argue that jobs programs are inherently wasteful and ineffective. Waste and ineffectiveness are avoidable, not inherent. By combining work with remediation and training, we can increase the long-term payoff of jobs porgrams. By diversifying the types of interventions, the target groups, and the delivery systems, and by incrementing budgets across a balanced portfolio of initiatives, we can avoid the problems of the past.